

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

NEBRASKA DEPARTMENT
OF INSURANCE

OCT 29 2002

NEBRASKA DEPARTMENT OF INSURANCE)	FILED
)	
)	
PETITIONER,)	
)	ORDER TO CEASE AND DESIST
)	AND
v.)	ORDER TO
)	PRODUCE INFORMATION
)	
ALEX ALBANO,)	
THE RESOURCE COMPANY,)	
ITS OFFICERS, DIRECTORS,)	
AGENTS, AND EMPLOYEES)	
)	
RESPONDENTS.)	

Effective July 20, 2002, no multiple employer welfare arrangement may offer to an employer that is domiciled in this state or which has its principal headquarters or principal administrative offices in this state, a health benefit plan unless the health benefit plan is a fully insured health benefit plan or unless the multiple employer welfare arrangement obtains and maintains a certificate of registration pursuant to the Multiple Employer Welfare Arrangement Act, *Neb. Rev. Stat. §44-7601 et seq.*, and specifically pursuant to *Neb. Rev. Stat. §44-7604*.

Upon the Petition of the Department of Insurance and Affidavits of Linda R. Sanchez-Masi, and Manuel Montelongo, L. Tim Wagner, the Director of Insurance, hereby finds as follows:

1. The Resource Company is a Nebraska entity located at 10824 Old Mill Road, Suite 7, Omaha, NE 68131;
2. The Resource Company is a licensed insurance agency;
3. Alex Albano, whose business address is 10824 Old Mill Road, Suite 7, Omaha, NE 68131, is the president of The Resource Company;
4. Alex Albano is a Nebraska licensed resident insurance producer;

5. The Resource Company is operating as a multiple employer welfare arrangement and has failed to fully insure health benefits offered under a health benefit plan to employers and their covered employees in this state;
6. The Resource Company has or utilized licensed insurance agents to market such plan;
7. The Resource Company has also failed to apply for a certificate of registration as required under *Neb. Rev. Stat. §44-7604*, which became effective July 20, 2002;
8. The Resource Company has failed to maintain a stop- loss insurance policy as required by *Neb. Rev. Stat. §44-7609*; and
9. Based upon a memo issued by the Resource Company to its clients, dated October 28, 2002, concerning the ceasing of its operations as of October 31, 2002, which states that “ [t]he employee benefits programs (including, health, dental, life, short term disability, and worker’s compensation will **end** on October 31st, 2002, (emphasis added,) the Director finds that the Resource Company and Alex Albano are engaging in financial practices that make further transaction of business in this state hazardous or injurious to its participating employers, covered employees and the public.


THEREFORE, pursuant to the authority of *Neb. Rev. Stat. §44-7614(2)*, the Director hereby ORDERS THE RESOURCE COMPANY, ALEX ALBANO, all of its officers and directors, agents and employer members of said company to immediately CEASE and DESIST any and all enrollment of individuals into this or any plan, whether offered by the Resource Company or otherwise, to the extent such plan has as one of its benefits, the providing of health coverage to multiple employers where such benefits are not fully insured as defined in the Multiple Employer Welfare Arrangement Act, *Neb. Rev. Stat. §44-7603(4)*.

The Director FURTHER ORDERS the following Respondents, namely Alex Albano and The Resource Company, to IMMEDIATELY produce and provide information to the Department of Insurance regarding its health benefit plan, including but not limited to: identification of all insurance producers and representatives who have marketed the health benefit plan to residents of this state; the name of all primary and stop loss carriers and reinsurers including a copy of any and all stop loss insurance policies covering any health benefits, the

number of enrolled participants, including the names of all employers and their employees; and financial information adequately addressing the current reserves and financial obligations of the health benefit plan to covered employers, their employees and beneficiaries. This information should also include an explanation as to how Respondents intend to *run off* the health benefit obligations and otherwise meet or address the ongoing financial obligations respecting covered employers and employees receiving health benefits under the plan. Such information shall be provided to Linda R. Sanchez-Masi, no later than 5:00 p.m., October 30, 2002.

This Order shall continue in effect until such time as a hearing is requested by Respondents and following such hearing, a written finding is made by the Director that Respondents are no longer in violation of the Multiple Employer Welfare Arrangement Act.

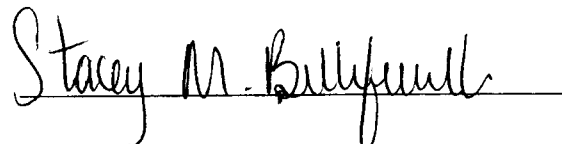
ENTERED this 29th day of October, 2002.



L. TIM WAGNER
DIRECTOR OF INSURANCE

CERTIFICATE OF SERVICE

I hereby certify that a copy of the Foregoing Order to Cease and Desist and to Produce Information was served upon Respondents via facsimile and also by mailing a copy by certified mail, return receipt requested to Respondents at The Resource Company, 10824 Old Mill Road, Suite 7, Omaha, NE 68131, and to their counsel, Michael C. Washburn, at Erickson & Sederstrom, 10330 Regency Parkway Drive, #100, Omaha, NE 68114, on this 29th day of October, 2002.



Stacey M. Bullifunt